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CENTRAL INTELLIGENCE BULLET

CURRENT INTELLIGENCE RELATING TO NATIONAL SECURITY

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State Dept. review completed

10 March 1965

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*Vietnam: Political feuding among military and civilian groups is continuing to hamper the development of effective government in Saigon.

Premier Quat, who is working on programs designed to project a more favorable government image in the provinces, has complained that his time and energies are constantly diverted by the need to keep close tabs on the political maneuvers of the military and by efforts to keep Buddhist and Catholic political activities within bounds.

Quat has indicated concern over reported plans of the generals to meet shortly to try to remove both General "Little" Minh and General Thieu from positions of responsibility. He is also considering steps, including a still vague proposal of a US/South Vietnamese joint military command, by which he might apply a brake on the political activities of the military.

The Viet Cong remain active throughout the countryside. In troubled Binh Dinh Province, one US adviser was killed and another wounded yesterday in a Communist attack on a government convoy. Elsewhere in the central highlands, Viet Cong propagandists have been entering tribal hamlets and warning of forthcoming attacks on population centers, including both district and provincial capitals.

The chief of the French mission denied that the North Vietnamese had asked the French to convey their interest in negotiations to the US. He felt that even with a continuation and some escalation of the air strikes, it could be many months before any negotiations take place?

No unusual movements of Communist forces have been detected within the past 24 hours.

The Chinese Communists are attempting to exploit the situation in Vietnam by telling left-wing African leaders that Moscow has sold out to the US. During private conversations with Tanzanian President Nyerere in Peiping in late February, the Chinese underscored their determination to push the Communist advantage in Vietnam to the limit and specifically charged the Soviets with seeking to help the US extricate itself from a "losing" situation.

The Chinese expressed astonishment at Kosygin's alleged statement during talks in Peiping that the Americans should be given an opportunity to withdraw from Vietnam in a way which would "save face" for the US. They claimed that the Soviet premier agreed with their view that Vietnam was a "quicksand" for

US forces, and attributed his desire for a solution which would permit the US to salvage a measure of international respect to the fact that both the US and the USSR were wealthy states?

Current Chinese propaganda has been making the same points less explicitly. Recent broadcasts display arrogant certainty of Communist victory and assert that the US faces a choice between ultimate military defeat and unconditional withdrawal. The Chinese have implied that the Soviets are abetting US attempts to force a negotiated settlement by increased military pressure—a form of "blackmail" which the Chinese declare is doomed to fail.

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*Egypt - West Germany: Nasir for the second day. has/continued his pressure on the Arab states for a diplomatic and economic break with Bonn, apparently even if West German-Israeli diplomatic relations are not established now.

He raised the specter of an 'Israel-imperialist conspiracy' against the Arab states and charged the United States press with distorting conditions in Egypt and the US Government with supplying economic aid and rockets so that Israel can defy the Arabs.

Nasir dared the 13 Arab states leaders to meet West Germany's and the "imperialists" challenge lest they lose their positions as leaders of the Arab people. By praising the Kuwait parliament's tough stand on the issue, he made it practically impossible for Kuwait's government to evade its parliament's recommendation for a severance of economic and diplomatic relations with West Germany and recognition of East Germany.

Yesterday's Arab League meeting closed with a call for a foreign ministers' conference on 14 March to approve what were termed unanimous recommendations for measures to be taken against West Germany. The failure to disclose the measures to be taken seems to indicate that the session was a stormy one.

Italy: The newly reshuffled Moro government is committed to quick action to alleviate some of Italy's immediate economic problems, but the short-term prospects for basic reforms remain poor.

The first order of business will be implementation of an antirecession program on which all the coalition parties are agreed. This program features expanded public works and housing construction, as well as additional incentives aimed at increasing industrial production and exports. Vice Premier Nenni has expressed doubt that these measures will soon overcome the slump in employment and production which has stimulated some labor unrest.

The inclusion in the cabinet of ex-Premier Fanfani as foreign minister should neutralize, for the time being, a dangerous critic of the Moro government. The dynamic and ambitious Fanfani, however, can be expected eventually to seek another opportunity to become premier.

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East Germany: There have been several indications since the turn of the year that Walter Ulbricht's health has begun to affect his activities. If Ulbricht should become disabled, politburo member and party security chief Erich Honecker probably would handle additional party duties for him. Honecker has been second to Ulbricht in the party leadership for two years. Recently he has begun to play a role in government affairs as well, at the expense of Premier Willi Stoph who recently took a "rest cure."

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*USSR: Today's communique on the "consultative meeting" of the nineteen Communist parties in Moscow last week reflects the inconclusive results of this session. Although the Soviets managed to win an endorsement of their calls for a cessation of polemics and for further preparations for a new world Communist conference, the conditions advanced for a conference make it highly unlikely that it will materialize. The communique proposes a "preliminary consultative conference" of the 81 parties that attended the 1960 conference to discuss a new world meeting. The proviso, however, that "all fraternal parties" should participate in preparations for a new international conference in effect gives the Chinese Communists and their supporters a veto on this project.

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